



An overview on the recent performance of Agricultural Marketing and Warehousing in Andhra Pradesh:

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Abstract:

After the success of Green Revolution, Yellow, Blue, Brown and White Revolution India is marching towards what is called as Grey Revolution i.e. use of information technology in agriculture. . All the above revolutions have been with the single objective of increasing production. The current status of marketing conditions, availability of warehousing facilities and efforts to improve warehousing also covered. At the same time, the similar aspects are studied in case of State of Andhra Pradesh and in the study area. It is found that, there are more or less warehousing facilities are available to the farmers. However, Mohan Kanda Committee on crop holiday in East Godavari District, Andhra Pradesh found a shortage of storage facilities. Thus, to find out the real status of these facilities, an empirical study is needed

Key words Mohan Kanda Committee, Green Revolution, warehousing

Introduction

Agriculture has been a source of livelihood for more than two thirds of our population. Unlike developed nation, agriculture still remains the backbone of our country. To free India from its reliance on the developed nations for its food need, agriculture was promoted in a big way. Agriculture in India is not merely a business enterprise; it is more a way of life. Indian agriculture is undergoing rapid transformation since the introduction of green revolution technology. The recent policy of liberalization and globalization has opened up new avenues for agriculture modernization.

After the success of Green, Yellow, Blue, Brown and White Revolution India is marching towards what is called as Grey Revolution i.e. use of information technology in agriculture. All the above revolutions have been with the single objective of increasing production. The extensions activity was limited to providing physical inputs viz. fertilizers, seed, and pesticides, among

others. The government intervened heavily in the market to ensure fair price to the farmers and to make available goods to the consumers at an affordable price, bearing heavy subsidy burden in the process. However all this is undergoing a change. The extension efforts are now directed towards providing farmers with the knowledge of the market conditions, so as to enable him to decide what to produce, how and , how much to produce, when and where to sell. The farmer can also avail information regarding the weather conditions and decide his farm operations. The use of GIS is also being promoted in a big way, which will be helpful in precision farming. It is witnessed that there was a record food grains production of 265.6 million tonne during 2013-14. Well-developed Agricultural marketing in this regard is essential. . However, agricultural marketing system is beyond the development of agricultural products.

Recent efforts on Agricultural marketing
: Agricultural marketing covers the



services involved in moving an agricultural product from the Farm to the consumer. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packing, transport, storage, agro -and food processing, distribution advertising and sale. There are several challenges involved in marketing of agricultural produce. There is limited access to the market information, literacy level among the farmers is low, multiple channels of distribution that eats away the pockets of both farmers and consumers. The government funding of farmers is still at nascent stage and most of the small farmers still depend on the local moneylenders who are leeches and charge high rate of interest. There are too many vultures that eat away the benefits that the farmers are supposed to get. Although we say that technology have improved but it has not gone to the rural levels as it is confined to urban areas alone. There are several loopholes in the present legislation and there is no organized and regulated marketing system for marketing the agricultural produce. The farmers have to face so many hardships and have to overcome several hurdles to get fair and just price for their sweat

In the recent, Government has allocated Rs 200 crore for three years to set up an online national agriculture market by integrating 585 wholesale markets across India - a move that would help farmers realize better prices . Recognizing the need for setting up a national market the 2014-15, budget stated that the central government would work closely with state governments to reorient their respective Agricultural product marketing

committee Acts to provide for establishment of private market yards/private markets. The Budget also announced that the state governments would also be encouraged to develop farmers markets in town areas to enable them to sell their produce directly.

Objective and methodology

Basing on the past decadal experience of the efforts towards agricultural marketing system, we can expect more of less development in the country. Andhra Pradesh is one of the agrarian states. In this context, the present paper is concentrated on agricultural marketing system in the state.it covers Andhra Pradesh (Agricultural Produce and Livestock) Markets Act 1966, alternative marketing system in Andhra Pradesh, warehouse Corporation in Andhra Pradesh, handling and transport facilities in the state, warehouse in the study area and East Godavari District, shortage of storage facilities in East Godavari district, Marketing of paddy in different market yards in the State and East Godavari District.

Agriculture Marketing in Andhra Pradesh

Andhra Pradesh has for long been considered the rice bowl of India contributing about 14% of the rice production of the Country. Paddy occupies 35% of the total cropped area of the State. It necessitates the importance f marketing facilities in the state. After the integration of Hyderabad Agricultural Produce and Livestock Markets Act, 1930 and the Madras Commercial Crops Act, 1933 in the State, A separate Department of Marketing was established on 01-02-1962 in Andhra Pradesh bifurcating from the Agriculture



Department to enforce the provisions of the Agricultural Produce Markets Act and other schemes of the Department. Currently agriculture markets are regulated under respective State Agriculture Produce Marketing yards all over the country. Comprehensive market legislation covering the entire state came into force in 1966 called the Andhra Pradesh (Agricultural Produce and Livestock) Markets Act 1966.

The salient features of the Act, 1966 are:

- To regulate sale and purchase of Agricultural produce
- To declare notified areas and notified markets for regulation
- To constitute market committees for each notified area for regulation
- To license all persons intending to trade in notified agricultural market area
- To levy and collect market fee
- To construct and develop market yards for regulation
- To prohibit collection of all unauthorized charges in sale and purchase of agricultural produce
- To arrange sale and purchase of agricultural produce in the market by open auction or tender system
- To collect and disseminate market information for use of farmers and traders
- There are 190 Agricultural Market Committees under which 190 market yards and 134 sub-market yards are notified in the State.
- At present, the Market Committees collected Rs. 341.00 crore towards market fee during 2012-13 and Rs. 354.00 crore during 2013-14

Alternative marketing system in Andhra Pradesh

Rythu Bandhu Pathakam: Under the Rythu Bandhu Pathakam, the

department spent Rs.15.33 crore during 2013-14 for providing pledge loan to farmers to help them avoid distress sale of their produce. 2194 farmers in 2013-14 benefited under Rythu Bandhu Pathakam. No interest is charged for the first 3 months. There are no budgetary restrictions for sanction of loans under this scheme.

Rythu Bazars: The Rythu Bazars were established in the year 1999. The concept of Rythu Bazar was developed to facilitate direct marketing between consumers and farmers. The main objective of Rythu Bazar is to ensure remunerative price to farmers and provide fresh vegetables to consumers at reasonable rates. There is a network of 80 Rythu Bazars in the State. On an average about 24,500 farmers sell over 1.05 Lakh quintals of vegetables, every week through these Rythu Bazars directly to the consumers. Mobile Rythu Bazars are operating in Vijayawada city for selling graded vegetables. This has proved to be successful. (A separate website was created exclusively for Rythu Bazars for arrivals and price information¹).

Co-operative Marketing Societies: There are 13 District Co-operative Marketing Societies (DCMSs), which undertake procurement of agricultural produce to enable farmers, get minimum administered prices for their produce.

Warehouse Corporation in Andhra Pradesh

The Andhra Pradesh State Warehouse Corporation was established in August, 1958 under Sub-Section 1,

¹ Socio Economic Survey (2013-14), Govt. of Andhra Pradesh, p.73



Section 18 of the Warehousing Corporation Act, 1958 (Central Amended Act of 1962) enacted by the Parliament. The Warehousing Scheme envisages providing storage facilities for food grains and other agriculture commodities, seeds, manures and fertilizers to minimize losses and deterioration in storage. The scheme also aims to enable farmers to have easy and cheap credit facilities from Banks against pledge of the Warehouse Receipt to improve the holding capacity of the producer to avoid distress sales in harvesting seasons.

Handling and transport facilities in the state:

Table 1 presents the Handling and transport facilities in the divided successive state of Andhra Pradesh.

There had been lack of sustained investment in the warehousing sector. The Private sector initiatives were small and sporadic in this sector. Besides, most of the Private sector warehousing capacities available in the country were of poor quality, small, fragmented and do not meet the requisite infrastructure standards. It has its Corporate Office at Hyderabad with 8 Regional Offices and 151 Warehouses scattered all over the state.

Table: 1. Handling and transport facilities in the state:

S.No.	Name of the Warehouse/ Dist./ Region	Number
1	Vizianagaram Region	4
3	Kakinada Region(EG.DT)	5
4	T.P.Gudem Region (W.G.DT)	5
5	Vijayawada Region(Krishna(2), Guntur(7), Prakasam (1)Districts)	10
6	Kadapa Region[prakasam(1), Nellore(4), Chitoor (2),Kadapa (2), Ananthapuram (3), Kurnool(3)	15
	Total	39

There are 6 warehousing distributing Regions in the state. Kakinada region have 5 Handling and transport facilities. Table 2 explains the data relating to undivided Andhra Pradesh State Warehousing Corporation Hyderabad Physical performance from 1990-91 to 2012-13. It is observed from the table that the total capacity of warehousing has been fluctuated during the study period due to changes in agricultural output during the year. The occupancy rate was varied from 67 per cent to 98 per cent except in 2011-2013 which have 101 percent of occupancy. As per the

table 4.4 the financial performance of *Financial Performance of Andhra Pradesh State Warehousing Corporation* shows an increasing level of returns except in 1992-93. The profit of State Warehousing Corporation was reached to Rs 14262.05.

Warehouse in the study area and East Godavari District

Table 4 gives the details of the Warehousing facilities in the Kakinada region and the East Godavari Dist. In the Kakinada Region, six Warehouses namely Mandapeta, Nadakuduru Pvt godowns, N.B.R.Pvt, D.Cand .R.Pvt



godown and Cholangi Pvt godowns. Besides, there are 68 Private Rural Godowns are located in East Godavari for food grains storage.

Shortage of storage facilities in East Godavari district:

However, there is also, clearly, a shortage of storage facilities in this area, the available space being only 17500 MT. According to the information collected from Food Corporation of India, against the target of 100 lakh MT. The procurement was only 86 lakh MT as on 08.09.2011

Marketing of paddy in different market

yards in the study area: The performance of paddy marketing yards in the East Godavari District is presented in the table 5. It is found that there are 20 marketing yards in the district. The total arrival of paddy was 3, 20, 98,103.52 quintals in 2010-11 but reached to 7, 59,877.71 quintals in 2013-14. This is caused to changes in yields, problem of remunerative price and selling to traders. The government has announcing MSP (Minimum supporting price) but it varies lower than the market price as said by the farmers.

Table 2 : Physical performance of AP State Warehousing Corporation

S.No	Year	Capacity (MTS)			% of occupancy
		Owned	Hired	Total	
1	1990-91	372808	237871	610679	82
2	1991-92	394778	259229	654007	76
3	1992-93	405280	162030	567310	70
4	1993-94	406124	243046	649170	86
5	1994-95	408874	212987	621861	80
6	1995-96	413655	179512	593167	75
7	1996-97	413655	150276	563931	68
8	1997-98	412821	133276	546097	72
9	1998-99	413655	128383	542038	67
10	1999-00	413655	217175	630830	80
11	2000-01	415488	442716	858204	94
12	2001-02	419988	663264	1092002	93
13	2002-03	463663	117403	1719399	88
14	2003-04	482105	60133	2166821	88
15	2004-05	484167	66410	2268910	87
16	2005-06	484605	71492	2276097	88
17	2006-07	483855	57056	2260911	91
18	2007-08	508447	44882	2273329	91
19	2008-09	522543	28058	2173191	91
20	2009-10	528980	117646	1991440	95
21	2010-11	533680	167675	2170415	98
22	2011-12	545272	477958	2356934	101
23	2012-13	590813	742989	2634899	101

Source: <http://www.apswhc.com/home.do>



Table 3. Financial Performance of AP State Warehousing Corporation

S.No	Year	Income (Rs in Lkhs)	Expenditure (Rs in Lakhs)	Profit/loss (Rs in Lakhs)
1	1990-91	572.70	516.90	55.80
2	1991-92	643.50	609.98	33.52
3	1992-93	495.78	593.76	(-) 97.98
4	1993-94	742.53	713.59	28.94
5	1994-95	927.61	705.24	222.37
6	1995-96	753.65	698.46	55.19
7	1996-97	689.87	670.33	19.54
8	1997-98	796.29	741.23	55.06
9	1998-99	852.65	749.82	102.83
10	1999-00	1377.52	868.46	509.06
11	2000-01	2426.90	1331.85	1095.05
12	2001-02	3821.65	1608.19	2213.46
13	2002-03	5114.80	4412.43	702.32
14	2003-04	6712.17	5708.49	1003.68
15	2004-05	6850.15	5100.87	1749.28
16	2005-06	7350.26	4686.22	2664.04
17	2006-07	6877.81	4977.92	1899.89
18	2007-08	6923.45	5173.82	1749.63
19	2008-09	6980.03	4845.20	2134.83
20	2009-10	8720.00	5994.51	2725.13
21	2010-11	10972.45	8596.72	2375.73
	2011-12			
22	(Provisional)	24955.73	10693.68	14262.05

Source: <http://www.apswhc.com/home.do>

Table 4. Warehouse Kakinada Region, East Godavari Dist

S.No.	Name of the Warehouse in	Name of the H&T Contractor
1	Kakinada Region	The KKD area APSWC & APSCSCL M W L C CO-OP S L
2	Mandapeta	Smt. V.Nagarajakumari
3	Nadakuduru Pvt godowns	Sri.R.H.Ramgopal
4	N.B.R.Pvt	godowns Sri.R.H.Ramgopal
5	D.C.R.Pvt godowns	Sri.R.H.Ramgopal
6	Cholangi Pvt godowns	M/s. S.R.C.Complex



Table 5. Marketing of paddy in different market yards in East Godavari
 In quintals)

Name of the AMC	2010-11	2011-12	2012-13	2013-14
Alamuru	683020.00	230782.00	75181.00	48270.00
Kothapeta	920386.00	43783.00	69600.00	51004.00
Anaparthi	3801234.00	432500.00	360584.00	143162.00
Ambajipeta	569449.32	35449.74	19268.95	17880.85
Rajahmundry	1011454.00	156875.00	103266.00	50683.00
Tallarevu	2170876.00	130983.00	150960.00	36565.00
R.C. Puram	1834906.00	216851.00	3524.00	25718.00
Allavaram	613010.00	90740.00	62720.00	15496.00
Razole	453749.00	62692.00	39961.00	27500.00
Mummidivaram	2240026.00	90741.00	37440.00	12240.00
Tuni	566926.75	99460.00	25929.50	3584.00
Pithapuram	208142.00	106347.00	65859.00	31142.00
Sampara	1165233.00	113528.00	69778.00	48688.00
Samalkot	905665.00	232739.00	82248.00	12497.00
Peddapuram	12174716.00	42831.00	42575.70	90312.80
Nagaram	254563.37	40305.00	16656.88	75.88
Prathipadu	261740.00	39610.00	32831.00	22214.00
Jaggampeta	686510.08	84543.43	81881.60	24186.18
Mandapeta	1343093.00	333516.00	322209.00	98659.00
Kakinada	233404.00	66419.00	32120.00	0.00
Total :	32098103.52	2650695.17	1694593.63	759877.71

Source: Asst. Director of Agri. Marketing, Kakinada

The performance of paddy value in the marketing yards in the East Godavari District is presented in the table 6. It is found that there are 20 marketing yards in the district. The total arrival of paddy was Rs 225954.72 lakhs in 2010-11 but reached to Rs 9884.52 lakhs in 2013-14.

Conclusions:

This paper presents the agricultural marketing conditions in India and importance of warehousing. The current status of marketing conditions, availability of warehousing facilities and efforts to improve warehousing also covered. At the same time, the similar aspects are studied in case of State of Andhra Pradesh and in the study area. It is found that, there are more or less warehousing facilities are

available to the farmers. However, Mohan Kanda Committee on crop holiday in East Godavari District, Andhra Pradesh found a shortage of storage facilities. Thus, to find out the real status of these facilities, an empirical study is needed.

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2. Socio Economic Survey (2013-14), Govt. of Andhra Pradesh, p.73
3. <http://www.apswhc.com/home.do> linked on 4/1/2015
4. Mohan Kanda (2012), Report of state Level Committee to Study the Problems of farmers In Crop Holiday



affected Mandals of East Godavari District of Andhra Pradesh, p.15

Table: 6. Value of paddy transported to market yards in East Godavari
 (in Rs lakhs)

	Name of the AMC	2010-11	2011-12	2012-13	2013-14
	Alamuru	7190.22	2492.45	939.77	637.78
	Kothapeta	9116.00	486.00	870.00	686.00
	Anaparthi	51652.00	4671.00	3868.00	1890.00
	Ambajipeta	5943.05	395.80	241.04	234.26
	Rajahmundry	10714.28	1741.32	1290.82	663.95
	Tallarevu	16331.00	1375.00	1887.00	479.00
	R.C. Puram	19817.00	2342.00	1071.00	342.00
	Allavaram	6254.00	980.00	784.00	203.00
	Razole	4537.51	626.93	399.61	275.00
	Mummidivaram	7822.00	980.00	468.00	153.00
	Tuni	5833.76	1094.05	329.73	48.51
	Pithapuram	11541.00	1223.00	843.00	436.00
	Sampara	12058.70	1226.11	872.22	681.63
	Samalkot	9448.86	2560.13	1028.00	163.00
	Peddapuram	15154.87	462.57	544.97	1128.91
	Nagaram	2617.79	435.29	208.21	9.48
	Prathipadu	5724.71	273.09	410.39	300.00
	Jaggampeta	7076.97	913.07	1023.52	317.00
	Mandapeta	14346.00	3603.00	4028.00	1236.00
	Kakinada	2775.00	684.00	402.00	0.00
	Total :	225954.72	28564.81	21509.28	9884.52